



Financial Overview

FISCAL YEAR 2024

January 26, 2023

RESPONSIBLE INVESTMENT
GOVERNOR CARNEY 

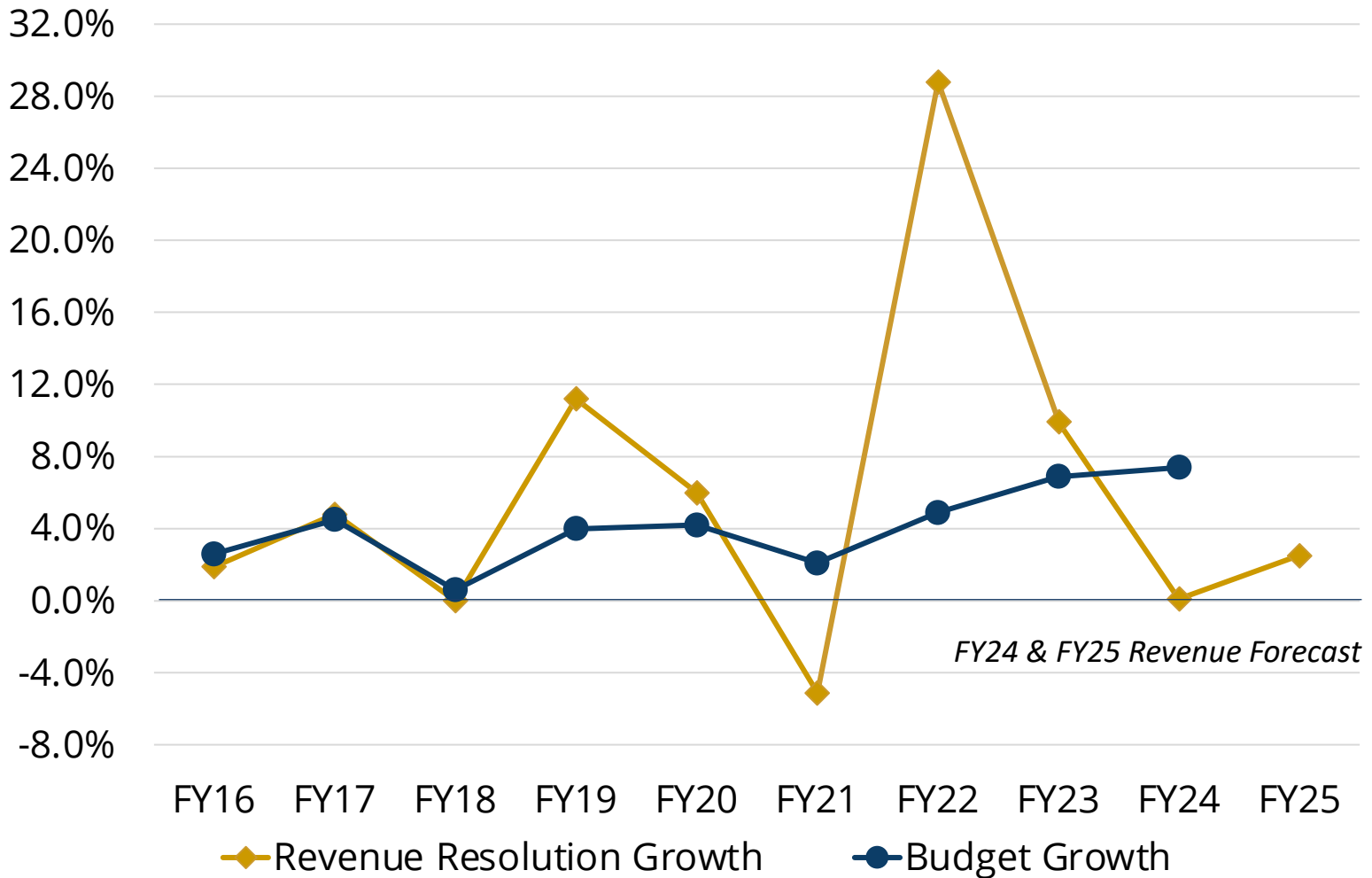
**Over the past six years, we have
charted a responsible course.**

*Responsibly managing our
state budget remains a
priority.*

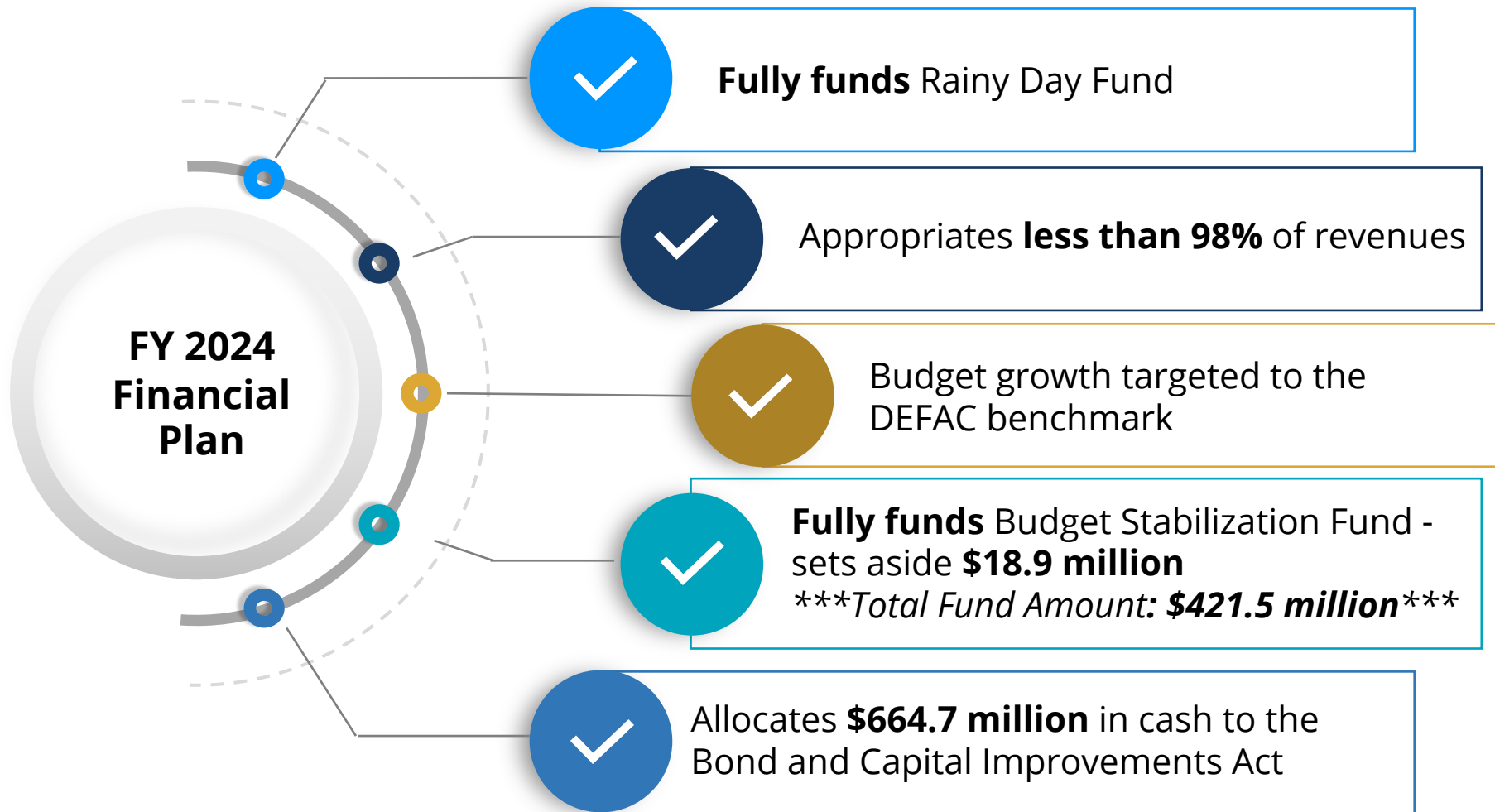
Revenue Volatility *vs.* Benchmark Spending Stability



Revenue Volatility with Stable Budget Growth



Long-term Financial Sustainability



Providing Middle Class Tax Relief for Working Delawareans



- Increase the Standard Deduction by 75% to **\$5,700 (\$11,400 joint)** effective Tax Year 2024.
- Increase the refundable **Earned Income Tax Credit (EITC)** to **7.5%** of the federal credit, effective Tax Year 2023.

FY 2024: \$24.9M

FY 2025: \$55.7M

Tax Simplification:

- Almost **50,000 tax filers** switch to standard deduction.
- Nearly **20,000 tax filers** have net liability reduced to \$0 or receive EITC refunds.
- More than **80% of residents** benefitting have DE Adjusted Gross Income below \$75,000.

Governor Carney's Recommended FY 2024 Financial Plan



General Fund Operating Budget

\$5,482.0 M

- GF Operating Budget Growth 7.4%

Grants-in-Aid

\$59.8 M

Bond and Capital Improvements Act

\$1,289.3 M

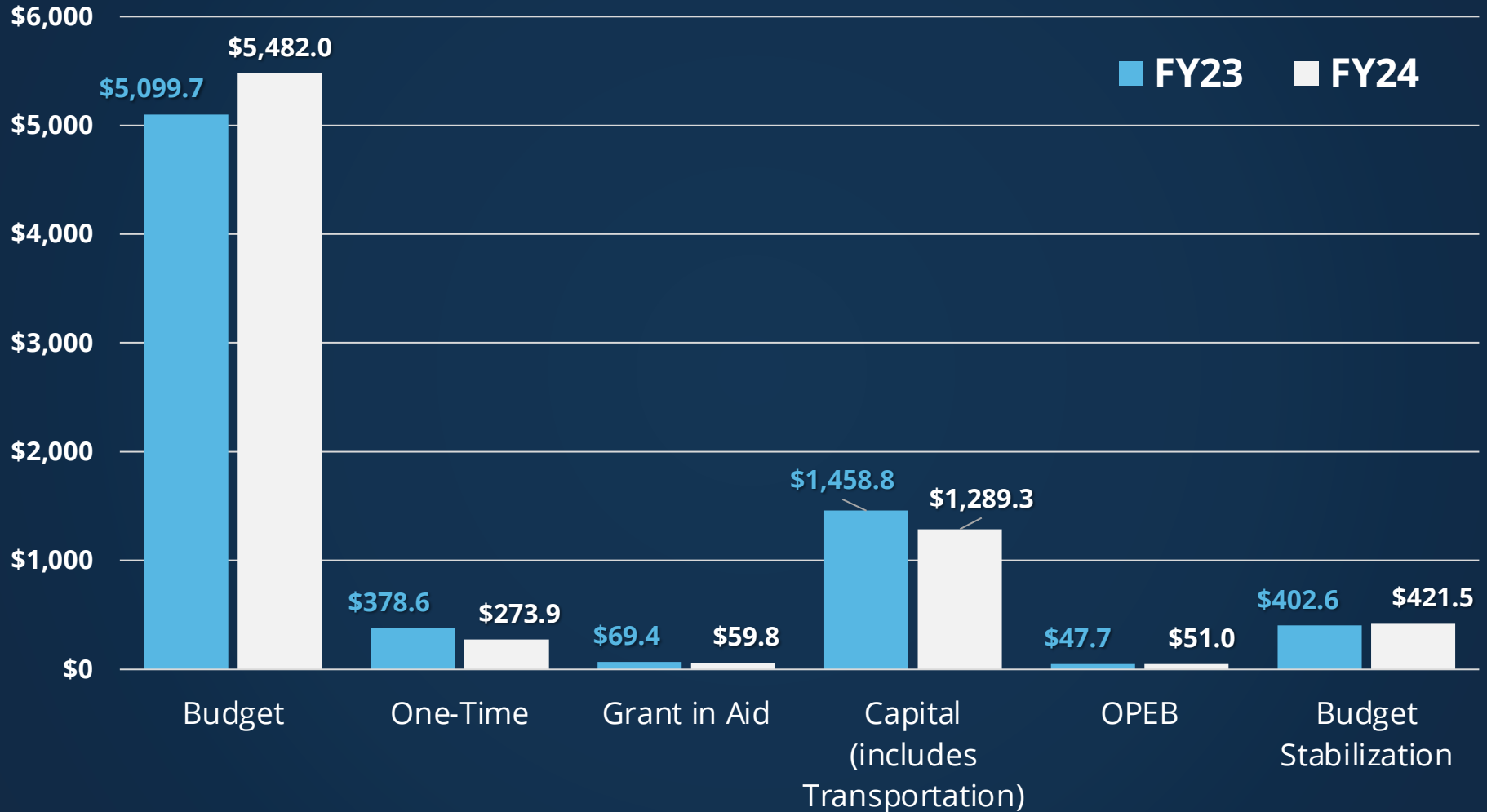
- State Capital Projects \$967.0 M
 - GO Bonds \$251.6 M
 - Cash \$664.7 M
 - Other \$50.7 M
- Transportation \$322.3 M

One-Time Supplemental *(incl. \$51M to OPEB)*

\$324.9 M

*The FY 2024 Financial Plan sets aside **\$18.9 million** into the Budget Stabilization Fund, which would result in a total amount over and above the constitutionally mandated set asides **\$421.5 million***

Year in Review: **Sustainable Finances**



****Budget Stabilization Fund is Fully Funded****

OUR BUDGET CONTINUES INVESTMENTS IN KEY AREAS



*Strengthening
our
economy*



*Investing in
public
schools*



*Supporting
families &
workforce*



*Protecting
our
environment*

Highlights of Governor Carney's **FY 2024 Financial Plan**



- ✓ Takes continued steps towards providing **compensation and pay equity** for state employees, including increases for our classroom teachers
- ✓ Increases **Opportunity Funding investments** in our schools for **low-income students and English learners**
- ✓ Invests in the creation of **affordable housing** programs and incentives
- ✓ Supports **economic development and infrastructure** throughout the State
- ✓ Continues investments in **clean water and other environmental initiatives**

Investing in *Public Education*



9% raise
for teachers

3% raise
for public
education workers

Increase of \$15 million
to Opportunity
Funding
\$53 million

Wilmington Learning
Collaborative
\$10 million

Investing in *Early Childhood Education*



Increase Purchase
of Care Rates
\$10 million

**Expanding
eligibility** for
Purchase of Care

Double funding for
Early Childhood
Assistance Program
(ECAP)
\$12 million

Lowering preschool
special education
student-teacher ratios
(House Bill 33)

Protecting Delaware's *Environment*



ENVIRONMENTAL INITIATIVES

\$53.7 million

Aglands Preservation

\$10 million

Shoreline and Waterway
Resiliency

\$7.5 million

Open Space

\$10 million

Clean Water*

\$26.2 million

Total Clean Water includes \$53.4 million in federal funding

Preparing for the *Economy of the Future*



ECONOMIC DEVELOPMENT

\$50 million

Strategic Fund
\$25 million

Site Readiness
\$10 million

Graduation Lab Space
\$10 million

Transportation Infrastructure
Investment Fund
\$5 million

Investing in our *State Workforce*



\$147.9 million for State Wages

- Additional year of **historic pay policy**: 3% to 9% increase with lowest wage workers receiving the highest percentage
- **Historic wage increase for teachers**: Total 9% aligned with ongoing work of Public Education Compensation Committee
- Support of **recruitment and retention** initiatives
- Establishes **\$15 minimum wage** for merit full-time state employees
- Funding **negotiated wages and step increases**

Investing in our *State Workforce*



\$194.2 million for State Employee Healthcare and Other Post-Retirement Employment Benefits

- Invests **\$143.2** million for Group Health Insurance Plan shortfall
- Invests **\$51 million** of one-time extraordinary revenues to Other Post-Employment Benefits (**OPEB**) liabilities in accordance with Executive Order Number 52

Education:

Early Childhood Development



- **Purchase of Care rate increase** in early childhood education to 100% of the 75th percentile of the 2021 Market Rate - **\$10.3 million**
- An **\$8 million** award for the federal **Preschool Development Grant**
- Increase of **\$6.1 million** for a total of \$12.2 million in **Early Childhood Assistance Program (ECAP)** to expand early care and education for 3- and 4-year-old children
- **\$3.9 million** to implement modified basic special education student-teacher unit ratios for preschool students (HB 33)

Education:

Supporting Higher Education



Investing in Higher Education

- **\$60 million** – **Deferred maintenance, capital improvements and technology upgrades** at UD, DSU, and DTCC
- **\$1.5 million** – Supporting the **Joint Engineering Program** between DSU and UD to promote engineers within the State
- **\$932,000** – Year 3 of the **DTCC Compensation Stabilization Plan** to reduce faculty and staff turnover
- **Increases for Scholarships:**
 - **\$1.4 million** – Increase for **First State PROMISE Scholarship** at UD
 - Total Scholarship Amount: \$16,542,800
 - **\$4.0 million** – Increase for **SEED+** for DTCC and UD
 - Total Amount: \$14,165,700
 - **\$1.7 million** – Increase to **INSPIRE** for DSU
 - Total Amount: \$8,584,800

Education:

Supporting K-12



- Continued **Opportunity Funding** investment for low-income and English learner students of **\$15 million** – Total investment: **\$53 million**
- **\$30 million** for mental health services for elementary and middle school students (HB 100, HB 300)
- **\$2 million** to support the recommendations of the FSCC including funding for the **Governor's Summer Fellowship Program** and a **Statewide Mentoring Coordinator** position
- An increase of **\$3 million** to the Wilmington Learning Collaborative to improve education in the city

A Healthy State:

Environment & Agriculture



- **\$5.1 million – Cover Crop Investment** to support climate smart initiatives and improve water quality
- **\$619,500 – Tree for Every Delawarean (TEDI) Program** which has the goal of reaching 1 million trees planted with a coordinated statewide approach
- **\$600,000 – Ensuring the maintenance of water quality and reducing contaminants (e.g. PFAS) through the Statewide Groundwater Monitoring Network**
- **\$2.9 million – Supports Lead Assessment and Remediation**
- Funding to protect our waterways and keep them clean:
 - **\$18 million – Clean Water State Revolving Fund**
 - **\$1.7 million – Conservation Cost Share**

\$101.5 million

**Delaware's
Largest
Investment
for Housing**



Safe & Affordable Housing



\$31.5 Million for Housing Initiatives

- **Catalyst Fund** – Provides construction loans for the redevelopment of vacant/blighted properties
- **Accelerator Fund** – Creates an incentive to market rate developers with planned construction projects in exchange for affordable rental unit set asides
- **Market Pressure Relief Fund** – Supports owners of affordable multifamily rental properties dealing with construction cost increases due to supply chain and inflation
- **Preservation Fund** – Supports existing affordable housing units through repairs, rehabilitation, and financial restructuring

+ \$60 million in ARPA funding

Total Housing Investment: \$101.5 million*

**\$10 million from Capital Budget Housing Initiatives*

Supporting Housing Policy

- Supports the **Landlord Mitigation Fund** for participating landlords for certain claims for reimbursement
- Funding to support a **tenant's right to representation** in eviction proceedings
- Supports allowing a tenant to bring an **action of rent escrow** when dangerous conditions and defects exist

Highlights: Governor Carney's FY 2024 Capital Budget



Improving Schools for Delaware Students

\$191.7 million - School Construction and Renovation (Includes a new Leach School, Bush School and market pressure)

\$60.0 million - Higher Education Campus Improvements

\$15.0 million - School Building Deferred Maintenance (MCI)

\$10.1 million - School Safety (*\$1M from Operating Budget*)



Small Businesses & Infrastructure

\$25.0 million - Strategic Fund Investments to Support Jobs in DE

\$10.0 million - Site Readiness Fund

\$10.0 million - Graduation Lab Space

\$10.3 million - Research Collaborations

\$5.0 million - Transportation Infrastructure Investment Fund

\$20.0 million - Suburban Roads/Subdivision Street Pavement

\$6.5 million - Riverfront Development Corporation

Highlights: Governor Carney's FY 2024 Capital Budget



Building Strong Communities

\$11.6 million - Preserving Historical and Recreational Sites

\$16.6 million - Libraries

\$6.0 million - Affordable Housing

\$5.5 million - Downtown Development Districts

\$4.0 million - Strong Neighborhoods



Protecting Natural Resources for Future Generations

\$26.2 million - Clean Water & Drinking Water Trust Fund

\$10.0 million - Farmland Preservation (RTT)

\$10.0 million - Open Space (RTT)

\$7.5 million - Shorelines and Waterways

\$5.1 million - Cover Crop Program

\$1.7 million - Conservation Cost Share

\$500,000 - Delaware Bayshore

Highlights: Governor Carney's FY 2024 Capital Budget



Safe and Stable Communities

\$34.3 million - Kent/Sussex Family Court Facilities

\$21.0 million - New DSP Troop 4

\$21.0 million - Customs House

\$16.3 million - Statewide DOC Facility Generator Replacements

\$12.3 million - Baylor Women's Correctional Infirmary Expansion

\$5.1 million - Howard R. Young Correctional Center Renovations

\$4.5 million - New James T. Vaughn Intake Facility

\$1.5 million - Leonard L. Williams Justice Center Improvements



Building a Strong Foundation for Our State

\$50.6 million - State agency minor capital improvements and deferred maintenance

\$33.0 million - Delaware Hospital for the Chronically Ill

\$30.0 million - Carvel State Office Building upgrades

\$7.0 million - Cleveland White Building renovations

Governor Carney's Recommended FY 2024 Financial Plan



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**States continue to
receive historic federal
investments to rebuild
our economies.**

*We are putting those
funds to work for
Delawareans.*

INVESTING *in* DELAWARE

**\$342
million**

Technology,
Broadband, and State
Capital Projects

**\$105
million**

Housing
Development &
Emergency Housing

**\$133
million**

DE Hospitals and
Health Care

**\$72*
million**

Capital Projects
Fund
(Nonprofits)

**Awaiting U.S. Treasury approval*

**\$105
million**

Higher Education
(University of Delaware,
Delaware State University,
Delaware Tech)

**\$50
million**

COVID-19
Response and
Mitigation

**\$50
million**

Workforce
Development &
Pathways 2.0

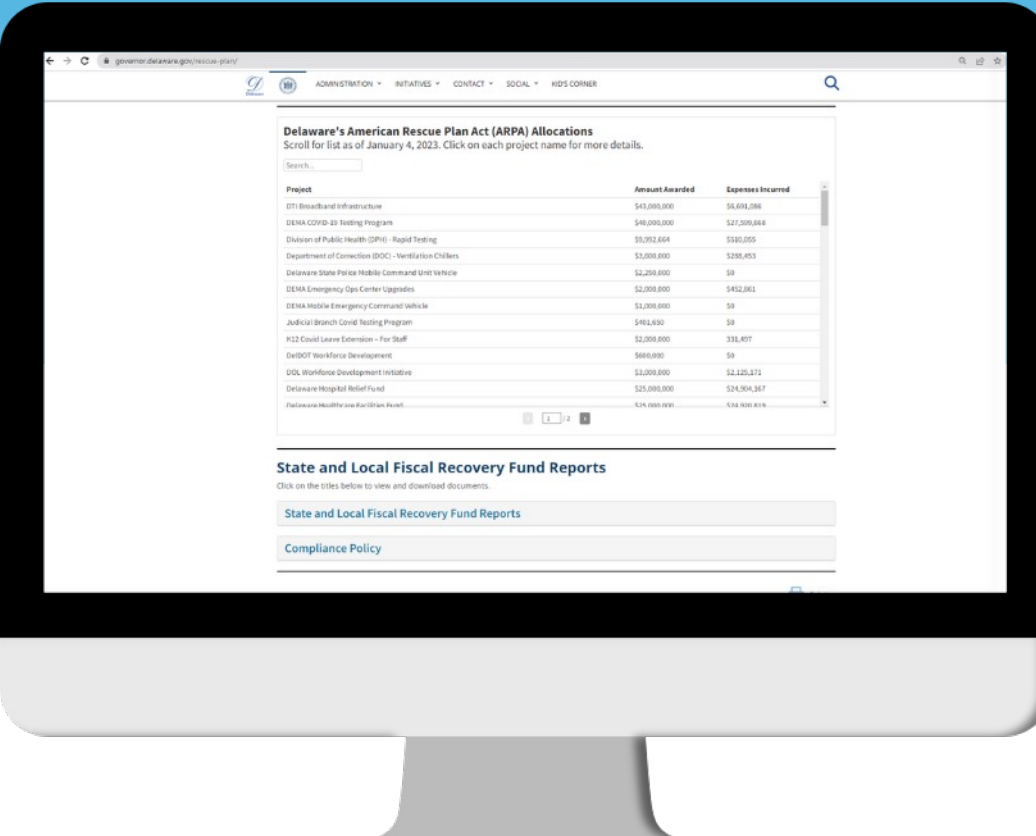
**\$40
million**

Delaware
Libraries

For More Information: de.gov/rescueplan

For More Information: **AMERICAN RESCUE PLAN ACT**

*Allocations and spending by project reported at
de.gov/rescueplan*



The screenshot displays the Delaware's American Rescue Plan Act (ARPA) Allocations website. The page features a navigation bar with links to ADMINISTRATION, INITIATIVES, CONTACT, SOCIAL, and KIDS CORNER. Below the navigation bar, the title "Delaware's American Rescue Plan Act (ARPA) Allocations" is followed by a scrollable list of projects. A search bar is located above the table. The table has three columns: Project, Amount Awarded, and Expenses Incurred. The projects listed include DTI Broadband Infrastructure, DENA COVID-19 Testing Program, Division of Public Health (DPIH) - Rapid Testing, Department of Correction (DOC) - Ventilation Chillers, Delaware State Police Mobile Command Unit Vehicle, DENA Emergency Ops Center Upgrades, DENA Mobile Emergency Command Vehicle, Judicial Branch Covid Testing Program, K12 Covid Leave Extension - For Staff, DEBQF Workforce Development, DOL Workforce Development Initiative, Delaware Hospital Relief Fund, and Delaware Healthcare Facilities Relief. The table also includes a footer with page numbers 1 and 2.

Project	Amount Awarded	Expenses Incurred
DTI Broadband Infrastructure	\$43,000,000	\$6,699,286
DENA COVID-19 Testing Program	\$46,000,000	\$27,509,668
Division of Public Health (DPIH) - Rapid Testing	\$5,292,604	\$585,059
Department of Correction (DOC) - Ventilation Chillers	\$3,000,000	\$288,453
Delaware State Police Mobile Command Unit Vehicle	\$2,250,000	\$0
DENA Emergency Ops Center Upgrades	\$2,000,000	\$452,363
DENA Mobile Emergency Command Vehicle	\$1,000,000	\$0
Judicial Branch Covid Testing Program	\$462,430	\$0
K12 Covid Leave Extension - For Staff	\$2,000,000	\$31,497
DEBQF Workforce Development	\$680,000	\$0
DOL Workforce Development Initiative	\$1,000,000	\$2,125,373
Delaware Hospital Relief Fund	\$25,000,000	\$24,304,367
Delaware Healthcare Facilities Relief	\$19,000,000	\$16,900,816

State and Local Fiscal Recovery Fund Reports

Click on the titles below to view and download documents.

State and Local Fiscal Recovery Fund Reports

Compliance Policy

INVESTING *in* DELAWARE'S INFRASTRUCTURE

As of October 25, 2022 - Includes announced funding affecting Delaware to federal agencies and other organizations, not just Delaware state government

**\$509
million**

Roads and Bridges

**\$63
million**

Drinking Water and
Wastewater

**\$57
million**

Climate Resilience, Clean
Energy & Electric Vehicle
Infrastructure

**\$52
million**

Ports and Waterways

**\$42
million**

Public Transit

**\$31
million**

Highway Safety

For More Information: de.gov/infrastructure

For More Information:

*First year of federal allocations and awards by
BIL program reported at*



It includes both regular program funding to some state agencies, new federal programs, projects by federal agencies, and awards from competitive grants.

Hover over or click on the category for a description of the funding added by Governor Carney's office. This data is from the White House "Map to Progress" at Build.gov.

Funds below were allocated on or before October 26, 2022.



Data as of 10/25/23

FY 2024 BUDGET PROCESS



July -
December

Governor Carney and cabinet members developed the FY 2024 budget draft.

Delaware Economic and Financial Advisory Council (DEFAC) met in October and December to **project revenue**. **DEFAC** will update their projections in March, May and June.

January

January 26: Governor Carney proposes FY 2024 recommended budget.

February -
March

Joint Finance Committee (JFC) and Bond Bill Committee Hearings: Committee members consider Governor Carney's recommended operating budget and hold hearings to discuss budget items with agencies and advocates.

April - May

Mark-up: JFC reviews budget proposals.

June 30

The **General Assembly passes** the budget and bond bills, and the **Governor signs** the bills by June 30.

The **new fiscal year begins July 1**.



- *End of Presentation* -